



Blast Zone: Natural Gas and the ACP

Causes, Consequences, and Civic Action

September 2017

The Atlantic Coast Pipeline (ACP) is a proposed \$5.5 billion, 600-mile structure that will transport fracked natural gas from the Marcellus and Utica Shale Basins in Ohio, West Virginia, and Pennsylvania to markets in Virginia and North Carolina. The Rachel Carson Council's new report, *Blast Zone*, highlights the economic and political forces driving this unnecessary, unsafe, and unjust pipeline.



IS NATURAL GAS CLEAN ENERGY? Though touted as a bridge fuel, natural gas is not a source of clean energy. Methane leakage rates from gas wells range from 3.8%-12%, and rates above 3.2% render natural gas worse for the climate than coal over a 20-year lifecycle. Methane is 86-100x more powerful than CO₂ over a 20-year period at trapping heat in the atmosphere and contributes to global warming. In order for the U.S. and world to meet Paris Accord goals and keep global warming beneath 2°C, natural gas consumption must be reduced.

WHAT ENABLES FRACKING? The natural gas boom relies on hydraulic fracturing, or "fracking" technology. While the majority of traditional oil and gas reserves can be cheaply extracted with conventional drilling techniques, shale rock formations require this new approach. Wall Street, large players in the drilling industry such as Exxon-Mobil, Cabot Oil and Gas, Chesapeake Energy and EQT Corp work closely with legislators at all levels to push their agenda. The drilling industry enjoys large subsidies and lax regulation with little public input or knowledge. Despite its impressive technical precision, the use and pollution of water in the fracking process creates serious environmental and health risks. Fracking requires extraordinary quantities of water mixed with sand and toxic chemicals to be pumped into wells. Recovered wastewater from fracking wells pollutes drinking water sources.

Sunrise Movement is a national network mobilizing young people to make climate change a priority and end the pernicious influence of fossil fuel executives on politics: www.sunrisemovement.org



Emergency Methane Action Campaign is driven by a North Carolina coalition asking Governor Roy Cooper to ban fracked natural gas use and transport by 2018: <http://www.ncwarn.org/ema/>

THE POWER BEHIND PIPELINES: In accordance with the foundations of an extractive economy, pipeline build-outs are not initiated or controlled by local communities. Workers' safety and wellbeing are put at risk, and homeowners' property rights are violated. Pipelines reveal the power of the fossil fuel and energy industries to overpower local governance and manipulate governmental control to place profit over people.

Dominion Energy, Duke Energy, and Southern Company (which form "Atlantic") are private and investor-owned holding companies. They own subsidiary companies responsible for various utility services such as electricity transmission and generation, and natural gas storage and distribution. While subsidiaries may be state-regulated monopoly utilities in the states where they operate, the holding companies themselves operate free of any specialized regulation and only face FERC regulation because of their plans to construct an interstate pipeline.



(Investor-Owned, For-Profit Utility Holding Company)

- 2016 earnings: \$2.1 billion
- Market cap: \$50.88 billion*
- 6 million energy customers

Regulated Utilities

Dominion Power

- Electric transmission & distribution
- 2.5 million electric customers in VA, NC**

Other Segments

Power Generation

- Owns & operates 24,300 MW generation**

Gas Infrastructure

- 12,200 miles of gas transmission (OH, WV, WY, ID, Rocky Mountains)
- Cove Point, MD liquefied natural gas export terminal
- Atlantic Coast Pipeline Partnership

(Investor-Owned, For-Profit Utility Holding Company)

- 2016 earnings: \$2.1 billion
- Market cap: \$61.56 billion*
- 7.5 million electric customers

Regulated Utilities

Duke Energy Carolinas

Duke Energy Progress (NC, VA)

Duke Energy Florida

Duke Energy Indiana

Duke Energy Ohio &

Kentucky

Piedmont Natural Gas

- Partner in Atlantic Coast Pipeline before acquisition

Utilities collectively generate 50,200 MW

Other Segments

Commercial Transmission

Energy Services

Duke Energy Renewables

International Energy

- Refining in Saudi Arabia

(Investor-Owned, For-Profit Utility Holding Company)

- 2016 earnings: \$2.7 billion
- Market cap: \$51.83 billion*
- 9 million customers

Regulated Utilities

Alabama Power

Georgia Power

Gulf Power (FL)

Mississippi Power

Other Segments

Southern Power

- 12,600 MW generation

Southern Company Gas

- 4.5 million retail customers

Power Secure

- Technology services

Southern Nuclear

Southern Linc

Southern Telecom

Sequent Energy Management

Pivotal Home Solutions

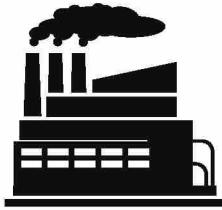
*Market capitalization data from 6/16/17

**Dominion 2015 Summary Annual Report

WHY IS THE ACP BEING BUILT? Dominion claims that the gas is needed for new power plants, large-scale manufacturing operations, and “underserved” areas of eastern NC. However, investigations have found that a sufficient supply of gas could be maintained into the future with minor adjustments to existing infrastructure. Additionally, US energy demand has been holding steady is projected to grow only 0.7% annually until 2040. If the pipeline is not needed, why is the ACP being built? The short answer: because Atlantic is virtually guaranteed to earn a 15% rate of return on its \$5.5 billion investment. Outdated regulatory schemes at the federal and state levels incentivize the construction of new fossil fuel infrastructure and guarantee its success in the long run.

WHAT DOES THIS MEAN FOR RATEPAYERS? Atlantic claims the pipeline will decrease energy costs, but several studies found that their methodology underestimated natural gas prices and overestimated the economic benefits. This return will be paid by electricity consumers, ratepayers, through rate hikes. Ratepayers in VA alone are expected to provide around \$200 million annually in funding.

NATURAL GAS AND ENVIRONMENTAL JUSTICE: In the U.S., communities of color and low-income commu-



nities are more likely to live next to sources of pollution and face increased environmental health risks. The ACP reinforces this unjust trend, especially in North Carolina, where 27 out of 42 of the census tracts within one mile of the pipeline route have higher poverty levels than the state average, and 30 out of 42 have higher minority levels. In eastern North Carolina, the pipeline will be located above the Northern Coastal Plain Aquifer, which supplies well water to disproportionately rural low-income and communities of color households along the path and is vulnerable to contamination.

JOIN THE JUST TRANSITION: Alternatives to natural gas abound. Energy efficiency improvements can reduce energy consumption, save money, and produce jobs. Renewable energy can compensate for declining fossil fuel energy generation. Though the future of energy is clearly not dependent on fossil fuels, utilities and the natural gas industry are resisting this logical transition in order to secure profits that are tied to their extractive business model. We believe in the power of coordinated environmental justice, campus organizing, and national action to bring about regulatory and systemic change.

Climate Justice Alliance is a coalition of 41 organizations on the frontline of the climate crisis. Their Our Power Plan report puts forward solutions by frontline leaders with the goal of cutting GHG emissions by 80% by 2050: <http://www.ourpowercampaign.org/cja/>



FrackFree NC is a coalition of 30+ grassroots organizations opposed to fracking and pipelines and pressuring Governor Cooper and staff to reject the ACP. <http://frackfreenc.org/>

Virginia Student Environmental Coalition is creating a network for advocacy, education, and action around environmental justice issues in Virginia. VSEC is currently pressuring the Virginia Governor to reject the ACP and conduct strict environmental and water quality reviews. <http://www.vsecoalition.org/>

Moving forward, there are many ways to link up with local, state, and national organizations leading the fight for a just transition to a clean energy future. Contact the RCC at office@rachelcarsoncouncil.org, on Twitter [@RachelCarsonDC](https://twitter.com/RachelCarsonDC) or on Facebook at www.facebook.com/RachelCarsonCouncil to discuss how you can act today.

- Do you live in Virginia or North Carolina? Talk to your neighbor about the economic, health, and social justice implications of the ACP and encourage them to call the Governor.
- Do you have family and friends in Virginia or North Carolina? Call them and warn them about higher electricity bills.
- Do you live somewhere else? Learn whether a pipeline is being built in your state, or if fracking is taking place. Get involved with a regional or national organization.
- Everyone can push for local energy efficiency or renewable energy commitments from businesses, schools, neighborhoods, city councils, county commissions, and state legislatures.

[Click here](#) to download *Blast Zone*.

	Immediate Action	Long Range Action
Local	<p>Attend hearings and pressure municipalities to enforce strict air quality standards for compressor stations</p> <p>Divest finances from pipeline-financing banks and reinvest in local/state credit unions</p>	Support city-level renewable energy and energy efficiency actions plans. Join an environmental justice committee that advocates for low-income communities and communities of color to be prioritized in these plans
State	Press governors and state Departments of Environmental Quality to reject permits based on the Clean Water Action Sections 401/404	Support statewide versions of the Our Power Plan, following the example of Kentucky and North Carolina
Federal	Monitor FERC decisions that involve oil/gas interests and stop dirty energy bills from passing the House and Senate	Educate lawmakers and the public on the need to restructure FERC to become an unbiased reviewer that considers cumulative impacts. Meet with legislators to push for renewables and end fossil fuel subsidies
All levels	<p>Pressure sitting legislators not to accept donations from the fossil fuel industry</p> <p>Lobby officials to oppose pipelines and natural gas infrastructure and support renewable energy and energy efficiency</p>	<p>Elect officials who stand up to the fossil fuel industry</p> <p>Support environmental justice organizations working at all levels for systemic change</p>



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